

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to provide for the submission to the voters of a proposed amendment to Section 8 of Article X of the Constitution of Virginia, relating to limit of tax or revenue and the Revenue Stabilization Fund.*

[S 362]

Approved

**Be it enacted by the General Assembly of Virginia:**

1. § 1. It shall be the duty of the officers conducting the election directed by law to be held on the Tuesday after the first Monday in November 2010, at the places appointed for holding the same, to open a poll and take the sense of the qualified voters upon the ratification or rejection of the proposed amendment to the Constitution of Virginia, contained herein and in the joint resolution proposing such amendment, to wit:

Amend Section 8 of Article X of the Constitution of Virginia as follows:

## ARTICLE X

## TAXATION AND FINANCE

Section 8. Limit of tax or revenue; *Revenue Stabilization Fund*.

No other or greater amount of tax or revenues shall, at any time, be levied than may be required for the necessary expenses of the government, or to pay the indebtedness of the Commonwealth.

The General Assembly shall establish the Revenue Stabilization Fund. The Fund shall consist of an amount not to exceed ~~ten~~ fifteen percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for the three fiscal years immediately preceding. The Auditor of Public Accounts shall compute the ~~ten~~ fifteen percent limitation of such fund annually and report to the General Assembly not later than the first day of December. "Certified tax revenues" means the Commonwealth's annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts.

The General Assembly shall make deposits to the Fund to equal at least fifty percent of the product of the certified tax revenues collected in the most recently ended fiscal year times the difference between the annual percentage increase in the certified tax revenues collected for the most recently ended fiscal year and the average annual percentage increase in the certified tax revenues collected in the six fiscal years immediately preceding the most recently ended fiscal year. However, growth in certified tax revenues, which is the result of either increases in tax rates on income or retail sales or the repeal of exemptions therefrom, may be excluded, in whole or in part, from the computation immediately preceding for a period of time not to exceed six calendar years from the calendar year in which such tax rate increase or exemption repeal was effective. Additional appropriations may be made at any time so long as the ~~ten~~ fifteen percent limitation established herein is not exceeded. All interest earned on the Fund shall be part thereof; however, if the Fund's balance exceeds the limitation, the amount in excess of the limitation shall be paid into the general fund after appropriation by the General Assembly.

The General Assembly may appropriate an amount for transfer from the Fund to compensate for no more than one-half of the difference between the total general fund revenues appropriated and a revised general fund revenue forecast presented to the General Assembly prior to or during a subsequent regular or special legislative session. However, no transfer shall be made unless the general fund revenues appropriated exceed such revised general fund revenue forecast by more than two percent of certified tax revenues collected in the most recently ended fiscal year. Furthermore, no appropriation or transfer from such fund in any fiscal year shall exceed more than one-half of the balance of the Revenue Stabilization Fund. The General Assembly may enact such laws as may be necessary and appropriate to implement the Fund.

§ 2. The ballot shall contain the following question:

"Question: Shall Section 8 of Article X of the Constitution of Virginia be amended to increase the permissible size of the Revenue Stabilization Fund (also known as the "rainy day fund") from 10 percent to 15 percent of the Commonwealth's average annual tax revenues derived from income and retail sales taxes for the preceding three fiscal years?"

The ballots shall be prepared, distributed and voted, and the results of the election shall be ascertained and certified, in the manner prescribed by § 24.2-684 of the Code of Virginia. The State Board of Elections shall comply with § 30-19.9 of the Code and shall cause to be sent to the electoral boards of each county and city sufficient copies of the full text of the amendment and question contained herein for the officers of election to post in each polling place on election day.

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57 The electoral board of each county and city shall make out, certify and forward an abstract of the  
58 votes cast for and against such proposed amendment in the manner now prescribed by law in relation to  
59 votes cast in general elections.

60 The State Board of Elections shall open and canvass such abstracts and examine and report the  
61 whole number of votes cast at the election for and against such amendment in the manner now  
62 prescribed by law in relation to votes cast in general elections. The State Board of Elections shall record  
63 a certified copy of such report in its office, and without delay make out and transmit to the Governor an  
64 official copy of such report, certified by it. The Governor shall, without delay, make proclamation of the  
65 result, stating therein the aggregate vote for and against the amendment.

66 If a majority of those voting vote in favor of the amendment, it shall become effective on January 1,  
67 2011.

68 The expenses incurred in conducting this election shall be defrayed as in the case of election of  
69 members of the General Assembly.